

This reply is responsive to the Office communication of May 31, 2005. Page and paragraph references are to that communication unless otherwise indicated.

Claims 12, 18 and 24 have also been amended to correct a typographical error in which the phrase "a plurality of" is repeated.

Claims 17, 23 and 29 have been amended to agree with the changes in the claims on which they depend.

The Examiner's indication of allowability of claims 15, 21 and 27 is noted with appreciation. However, since applicants believe that their base claims are similarly allowable (for the reasons stated below), these claims have been retained for now in dependent form.

Specific groups of claims remaining under rejection are discussed below.

Claims 12-14, 17-20, 23-26 and 29

Base claims 12, 18 and 24 of this group stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Horie, PCT Publication WO 92/13316 ("Horie") in view of Spies et al., U.S. Patent 5,987,438 ("Spies") (page 2, ¶ 4). The remaining claims of this group stand rejected under 35 U.S.C. § 103(a) as being unpatentable over this basic combination of references, either alone or further in view of other references.

by applicants. The system will even indiscriminately apply a “wrong” video decryption key to a video stream if that key is presented by the user. Although the result, when deciphered, might be unintelligible to the user, the system itself will have no awareness of that fact.

In summary, the decryption key described by Spies is used to protect content. This is a totally different purpose from applicants’ system key, which is used for authentication. Since there is no “content” in applicants’ system to be protected in a similar manner, there would be no motivation to define a “system” key in the Horie system, nor would there be any motivation to determine whether such a key matches a key on a purse card as claimed by applicants. Accordingly, claims 1, 8 and 15 distinguish patentably over the prior art, as do the remaining claims dependent thereon.

Claims 16, 22 and 28

Claims 4, 16, 22 and 28 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Horie and Spies as applied to claims 12, 18 and 24 above and further in view of DiGiorgio et al., U.S. Patent 6,418,420 (“DiGiorgio”) (page 7, ¶ 5).

DiGiorgio describes a distributed budgeting and accounting system in which secure token devices are used to define budgets for different portions of an organization. The system uses a hierarchical scheme where money flows from one “currency secure token” device 94 (Fig. 5) to multiple “budget secure token” devices 92, from there to multiple “group secure token” devices 88, from there to multiple “individual secure token” devices 84. The reverse money flow for a purchase is through multiple “service secure token” devices 86 and multiple “rollup secure token” devices 90 back to the currency secure token device 94.

Giorgio does not use a group or float ID to separately track money flows associated with the ID through a purse system as recited in claim 4. Rather, Giorgio uses multiple types of cards with specialized functionality tailored for a certain hierarchy level. This scheme cannot handle multiple accounts, as is demonstrated by the fact that there is only one currency secure token

device to handle both the inflow and the outflow of money. Applicants' claimed system, by contrast, handles multiple accounts at the top level and differentiates them by the float ID.

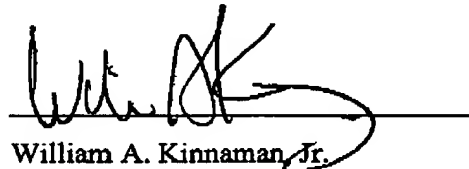
Claims 16, 22 and 28, moreover, are directed not to tracking debits at the group ID level, but rather using such a group ID to determine the amount of the debit. The mere fact a group ID may be used, say, for authentication or to determine what account is being debited does not also mean that the group ID is used to determine by how much to debit that account (e.g., whether to apply a discount). Accordingly, Giorgio is simply inapposite.

Conclusion

Entry of this reply and reconsideration of the application in the light thereof are respectfully requested. It is hoped that upon such consideration, the Examiner will hold all claims allowable and pass the case to issue at an early date. Such action is earnestly solicited.

Respectfully submitted,
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